

*Fall Agronomy
Information - 6*

.....
*Agland Feed, LLC
Certified a Safe Feed/
Safe Food Facility - 7*

.....
*Cenex Total
Protection Plan - 9*

.....
*TBA Welcomes
New Additions - 11*

.....
*U.S. Farm Structure -
Declining, but Persistent, Small
Commercial Farms - 13*

THE SCOOP

Comedian Jerry Carroll

to Speak at Agland's Annual Meeting

From the General Manager - 2

Director Candidates - 4

Fun Farm Facts - 4

Engine Oil Categories Changing - 8

Retail Updates - 12

AgLand
INCORPORATED



A Rewarding Year...

Agland's Annual Meeting date is set for October 21st at 6:00 p.m. at the Island Grove Exhibition Hall. This meeting is held for Agland stock holders to gather to complete another year and set the stage for the next year. Join Agland's Board of Directors and hear from the chairman Bill McKay, the audit report and Agland's management, as well as the election of board members.

While this past year has been challenging, it has also been a rewarding one. I would like to thank all the members/patrons for their business this past year. We have made progress in a number of areas. First the employee group has had another outstanding year with safety, and several locations have maintained or earned extended Sharp certification standard from a program that CSU has helped Agland achieve. This partnership with CSU has been very rewarding in helping control insurance cost along with our insurance partners. It has also been a catalyst in developing a positive culture

among Agland's employees. Great job again this last year! Harvest is a very busy time. Remember to keep safety first...it pays.

Agland's petroleum business and our partnership with CHS Cenex have improved promoting the Cenex brand and furthering



MITCH ANDERSON
General Manager & CEO

the image in other locations. The partnership that we have built with CHS is very important and one that we will continue to build on. One of our biggest concerns today is the cap and trade issue and how it will affect everyone who purchases fuel. Renewable Identification

Numbers (RIN) have become an obligation by refineries and carbon facilities to purchase so trading has begun for RIN's this past year with renewable energy blenders as the source for those obligated facilities to purchase from Agland and others! Also tier 1 and 2 emissions standards for diesel engines has created an educational process and additional formulation of fuels with additive changes to improve efficiency in the high pressure injection systems and ultra low sulfur fuel in these newer 2008, 2009, 2010 engines. So you might want to ask one of you fuel experts about this change. The petroleum division is busy getting product out in the country for this fall harvest and contracting propane for this winter season.

The agronomy business has been blessed with adequate moisture this last year, adding to the favorable conditions of the past few years. Water in this high plain desert is the key to success for this business operation. A new building completed in Eaton to house the a

(Continued on page 12)

Comedian Jerry Carroll to Perform at this Year's Annual Meeting

Country comedian, agriculture speaker and Southern humorist Jerry Carroll harvests a bumper crop of hilarity in his fast-paced, high-energy show. Jerry found comedy growing up on his family's farm. From the time he could walk, Jerry joined his father and uncle to farm 130 acres of flue cured tobacco, 500 acres of corn, 500 acres of small grain, 500 acres of soybeans, 40 head of cattle, and 5,000 hogs per year.

At the age of 40, Jerry decided to pursue his life's dream of entertaining people and making them laugh. Jerry's seemingly effortless ability to spin out punch line after punch line, story after story, took him from emcee to headliner in just eight short months.

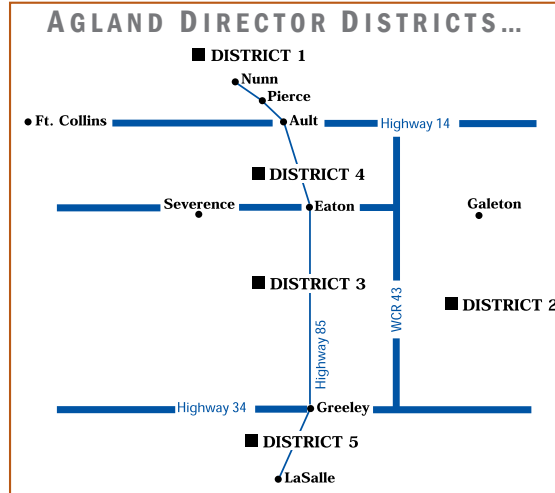
Since beginning in 1993, Jerry has performed for crowds from 20 to 20,000 in venues ranging from the local cattlemen's association's banquet to the Ministers of Provincial Parliament in Toronto, Canada. Besides corporate events, conventions, and comedy clubs, Jerry has opened concerts for music artists such as Michael Bolton, Patty Loveless, Lyle Lovett, and Larry Gatlin. Everywhere he goes, he leaves audiences roaring with laughter. ❖



Director Candidates...

Regarding director elections, the terms for those a directors representing District At Large and District 5 are expiring this year. The incumbents currently holding those respective Director seats are Bill McKay and Tim Bernhardt will be seeking re-election. Board terms are for three years and become effective at the first regular Board of Directors meeting following the election. The included map is provided to identify the boundaries of Agland director districts.

The nominating committee for this year's election process consists of the following Agland members:



- Ron Buxman, Chairman*
- Eugene Hahn*
- Gabe Winter*
- Justin Petit*
- Brad Cook*
- Dan Haythorne*

On behalf of Agland, we would like to thank these gentlemen for their time and effort. They have, during the nominating process, slated the ballot for the annual election with two candidates for each seat. Resumes of the nominees are included on page 4-5 for your review. In the event you have any questions regarding the nominees or the election process in general, please feel free to contact one of the gentlemen on the nominating committee, or Agland's corporate office. ❖

Reserve Your Seat for Agland's Annual Meeting Today!

Agland's annual dinner and meeting is free to Agland members, but you must make a reservation before October 15th to ensure your place at the table!

Please call Sarah Krautschun at 454-4034 to make your reservation, or if you prefer, you can fill out the reservation card below and mail it to our corporate office.

The Annual Meeting is Thursday, October 21st, at the Island Grove Exhibition Building. Hope to see you there!



Please confirm our reservation of _____ for Agland's Annual Meeting, October 21st, 2010 at 6:00 p.m. - Island Grove Exhibition Building.

Dinner and Meeting - No Charge

(Name of Member)

(Name of Spouse/Guest)

(Address)

(Phone)

Mail to: Agland, Inc. • P.O. Box 338 • Eaton, CO 80615

District At Large Candidates



Bill McKay
District At Large
Incumbant

Candidate: Bill McKay, District At Large

Family: Wife, Sharon

Crops: 320 acres of corn and hay

Operations: 350 cow herd operation

Cooperative Member: Since 1962

Board Experience: Served on Agland Board for past 27 years, 23 as President, Served on North Weld County Water Board

Why do you want to be re-elected to the Board of Directors? I have enjoyed being a Director for Agland. It has been a very valuable learning experience for me. I am committed to helping our co-op stay strong for the benefit of all those involved in agriculture, as well as the community.

What do you see as the biggest challenge facing the Cooperative today? Trying to serve our membership with their everyday needs, to be competitive, and still be a profitable company.

What do you have to offer as an Agland Board Member? To work toward reducing debt, improving facilities and equipment, and returning member equity to patrons at an excellent rate. Also, to make Agland a place where people will want to do business, can afford to do business, and be proud to do business.



Gabriel Winter
District At Large
Nominee

Candidate: Gabriel K. Winter, District At Large

Family: Hayley Winter - wife, Chuck and Charlene Winter - parents, 1st child due in December

Crops: 295 acres of onions, sugar beets, grain corn

Cooperative Member: Since 2005

Board Experience: Colorado Sugarbeet Growers Association and Eaton Local Secretary/Treasurer

Why do you want to run for the Board of Directors? As a 4th generation farmer, I am very proud of my farming heritage and I chose farming as my career because I enjoy the opportunity to work the land and am hoping to pass on my love of farming to my own family and to future farmers.

I am excited about the leadership opportunity that this position provides so I can be a contributing member of my local community and a contributing member to the overall co-op.

I feel that I can bring fresh ideas to the board while respecting the history of the current and previous board members who have contributed their time, ideas and passion to the continuation of our collective

agricultural heritage and success.

What do you see as the biggest challenge facing the Cooperative today? I feel that diversification is the biggest challenge facing the Cooperative today. We need to find ways to survive and thrive in a down economy while balancing our commitment to agricultural success with the needs of the community. I want to find ways to serve our ranchers, feeders, dairymen and farmers to allow them to be as successful as possible.

What do you have to offer as an Agland Board Member? I would bring an outside perspective, new ideas and I appreciate and respect the history that agriculture has played in our local area, community and in my own family. I will not shy away from challenges or controversial topics and feel that I can listen and respond with an open mind. Farming is my chosen career, therefore, I want to be a part of its preservation and future.

Fun Farm Facts

- **How many honeybees does it take to produce a tablespoon of honey?**
12 - Twelve busy little bees must collect the nectar from 2,000 flowers to make a tablespoon of honey.
- **What is the oldest known plant used for livestock feed?**
Alfalfa - Records of its use as livestock feed date to as early as 1,000 B.C. Alfalfa is one of the most nutritious crops to feed to animals.
- **How many glasses of milk can one cow produce in a year?**
46,000 - The average cow produces 2,100 pounds of milk a month.
- Mature turkeys have more than 3,500 feathers
- There are 47 different breeds of sheep in the U.S.
- Cows are herbivores, so they only have teeth on the bottom



(Continued on page 5)

District 2 Candidates



Tim Bernhardt
District 5 Incumbent

Candidate: Tim Bernhardt, District 5

Family: Wife Mena. Children: Miranda and Abbey

Crops: 800 acres corn, 400 acres alfalfa

Operations: Milk 1200 dairy cows, raise all heifers as replacements, raise all steers to feeders.

Cooperative Member: Since 1985

Board Experience: Agland Board of Directors for 6 years.

Why do you want to run again? I feel that Agland needs to continue in the quality of service that they provide, but also extend that into other areas such as marketing, education, controlling costs, etc., where members of the co-op and the co-op are partnering together to make its members more successful.

What do you see as the biggest challenge facing the Cooperative today? The success of Agland is directly related to the success of its members. It must keep doing the things it does well and offer new

programs or ideas that would help its membership be successful.

What do you have to offer as an Agland Board Member? As a younger member of the co-op, I would like the opportunity to serve with and learn from our experienced Board.



Tim Gittlein
District 5 Nominee

Candidate: Tim Gittlein, District 5

Family: Wife Jolene. Children: Sons Dominic and Vincent.

Crops: 2000 acres alfalfa, wheat, corn, and mixed forages for hay.

Cooperative Member: Since 1996

Board Experience: Member and Vice President South Platte Conservation District.

Why do you want to run for the Board of Directors? I want to learn about the detailed workings of the cooperative; i.e., operations, budgeting, finance and implementation, as well as interact with some of the most progressive operator members in the county as well as the country. I would like to take that knowledge and networking and bring it back to the cooperative to help Agland continue to grow locally as well as nationally.

What do you see as the biggest challenge facing the Cooperative today? Maintaining growth.

Colorado agriculture is facing huge challenges. Urban growth, limitations on well water use, transfers of surface water rights to municipalities, increased regulation and taxes on agricultural operations will dramatically impact Agland's ability to sustain and grow its position as a regional fuel, feed, and crop inputs provider. Agland must continue to make every effort to maintain and grow sales to its member patrons by providing up to date services, technology, and value.

What do you have to offer as an Agland Board Member? I feel I can offer Agland 20 years of experience in agriculture. Growing up in a multigenerational Weld County farm family, I know first hand the challenges local operators face. I have dedicated my career to production agriculture and I am very passionate about the industry.

Fun Farm Facts (Continued from page 4)

- The average person consumes 584 pounds of dairy products a year
- 160 degrees Fahrenheit is the correct cooking temperature to ensure safe and savory ground beef
- Elevators in the Statue of Liberty use a soybean-based hydraulic fluid
- Like snowflakes, no two cows have exactly the same pattern of spots
- The longest recorded flight of a chicken is 13 seconds
- Twenty-nine cuts of beef meet government guidelines for lean
- Turkeys originated in North and Central America, and evidence indicates that they have been around for more than 10 million years
- One pound of wool can make 10 miles of yarn. There are 150 yards (450 feet) of wool yarn in a baseball.
- Today's American farmer feeds about 155 people worldwide. In 1960, that number was 25.8
- Soybeans are an important ingredient for the production of crayons. In fact, one acre of soybeans can produce 82,368 crayons.



Fall Agronomy Information...

THANKS FOR THE SUPPORT

First of all I would like to thank all the members/patrons for the business and support this past season. Thanks to each of you we had another successful year. Thanks to our fertilizer storage capacities we were able to purchase adequate inventories early and pass these savings on to our customers early in the season and keep adequate product on hand during the periods of short supply. Our marketing programs allowed producers the chance to purchase product early, prior to price increases and lock production costs early in the season which enabled them to forward contract commodities to ensure profitability as well as provide accurate cash flows to meet financial requirements. With the success of these programs over the past couple of years we will continue to refine and improve these programs to meet the needs of our customer/owner base. The increased storage capacities we have invested in over the past few years have given us a great chance to be in a competitive position to supply the liquid and dry fertilizers as well as chemical and seed supplies all our customers require.

SEED ORDERS

This is also a good time to anticipate for next years seed requirements in order to take advantage of early order and early payment discounts. This will also insure that you get the varieties with the traits you want. Many of the specific traits that you may want, specifically for the insect resistance, could be in short supply this upcoming season due

to several weather events this early spring. In order to get what you want it will be beneficial to order early for product availability as well as pricing. Many of our seed suppliers have financing programs that require early sign up should you be interested. We have also arranged for a good supply of wheat seed.



WAYNE GUSTAFSON
Agronomy Division
Director, CCA

The pricing has been a challenge due to the severe swings in the grain markets, but by the time of your receiving this Scoop edition, pricing and supply issues should be resolved. Again, to avoid these issues, please order all your seed needs as soon as possible.

FALL FERTILIZER

Fall fertilizer prices will most likely continue to be less costly than in the spring; however, we are not seeing the normal dip in costs we normally see in the fall, prices are remaining at summer levels and in some cases rising. The phosphate supply seems to be the big question mark this year with unknown imports and tight domestic supplies, we are currently noticing a rise in both liquid and dry fertilizer costs. Tight supplies of Anhydrous Ammonia are also causing some pressure to be placed on Urea and 32-0-0 prices

currently. We are also competing for fertilizer products on the world market with China becoming a huge customer for all fertilizer materials. All these factors will have the effect of raising costs and causing spot shortages of some products. What could happen between now and next spring is anyone's guess.

In short, in spite of rising costs, fall application of at least some of your anticipated needs for next year, will go a long way in protecting input costs as well as insuring a supply. We will again be offering a fall application program where you can apply the product now, lock in your cost and pay for the product next spring.

I know there are a lot of uncertainties going into next year, however grass and alfalfa responds well to fertilizer programs and any moisture received this winter definitely will be used by these crops come early spring. Also, once the alfalfa becomes dormant we can include an herbicide program for one-pass application for fertilizer and chemical weed control.

Another item to consider is setting up a soil test schedule with your Crop Production Specialist so he can get test results in a timely manner for you as the fields are harvested and you can take advantage of fertilizer pricing programs in the fall and during our booking process in the winter.

Again thanks to all our customers and patrons for a very successful season and be sure to check with your Agronomy Specialist at Eaton (970) 454-4004 or Gilcrest (970) 737-2406 for Fall Application Program specifics as well as for placing seed orders.

Agland Feed, LLC Certified a Safe Feed/Safe Food Facility...

Agland Feed, LLC has been certified by the Safe Feed/Safe Food Certification Program administered by the American Feed Industry Association.



Becoming Safe Feed/Safe Food - certified means the facility demonstrates and ensures continuous improvements in delivering safe, wholesome livestock feed for the growth and care of animals.

This is a one-of-a-kind, voluntary program that has resulted in the certification of about 330 feed-related facilities. Certified facilities go above and beyond federal requirements to ensure the highest standards in manufacturing and processing are followed each and every day.

Agland Feed, LLC has received certification for the Agland Feed Mill. As a successful participant in AFIA's program, Agland Feed, LLC is entitled to use a special Safe Feed/Safe Food logo on products and certain equipment such as trucks.

Joel G. Newman, AFIA president and chief executive officer, said "Agland Feed, LLC should be commended for showing leadership in this important program. The employees have gone the extra mile to demonstrate a strong commitment to food safety and offer reasons to their customers and consumers for increased confidence in the products they provide. The companies participating in Safe Feed/Safe Food are making outstanding efforts."

AFIA's Safe Feed/Safe Food Certification Program is open to livestock feed and pet food manufacturers, ingredient suppliers, integrated producers, meat processors, feed purchasers, livestock producers, renderers and others who want to validate a commitment to food safety through pro-active leadership, it signifies that qualifying companies have embraced the feed industry's role in creating feed-based safety programs; they are doing their part to reduce food safety risks; they are participating in an approved risk-management program; and they are aggressively practicing risk reduction.

The Safe Feed/Safe Food Certification Program is the premier, third-party-verified program designed

to ensure the highest safety standards are met and executed in the manufacturing of livestock feed, pet food and related ingredients.

The Safe Feed/Safe Food program is:

- Trusted by FDA
- Recognized by Livestock Producers
- Demonstrates Accountability and Commitment to Food Safety
- Reduces Risks and Costs
 - Protects Companies, Employees and Customers
 - Sharpens Awareness of Regulations
 - Verified by Independent Auditing



MICK DANIEL
Feed Division
Director

Agland Feed, LLC manufactures dairy, beef, lamb, swine, poultry and specialty feeds and also employs 33 employees dedicated to manufacturing and delivering safe feed to our livestock customers. We are honored to receive this certification to further the quality of the product that we deliver to our customers. ❖

AGLAND INC CONDO CORN PROJECT

The local corn farmers continue to raise bigger and better corn crops in the immediate area. Local growers and livestock producers knew they would need a place to store their ever increasing corn crops in future years. The third condo project was started this spring and now nears completion. The total combined storage for the third condo project now nears 1.6 million bushels. The first condo project of 540,000 bushels was started in 1997 now some 13 years later the capacity has nearly tripled. Condo number two bin and condo number three bin are located just East of the Corporate office. ❖



Engine Oil Categories Changing...

Engine oil categories are changing this October 2010, and there seems to be a maze of industry buzzwords and acronyms to wade through to select the correct oil. A brief review of the approval committees and their tasks, although boring, is necessary to understand the coming changes.

The past committees are still in place, American Petroleum Institute (API) and Society of Automotive Engineers (SAE). API has the administrative task of licensing and certifying engine oils. Such as the starburst on oil containers to signify that they are Energy Conserving and the service category rating of S_. (S stands for spark ignited engines oils and the second letter is the current specification.)

SAE actually defines the need for new specifications, in conjunction with automakers and other committees. A newer member of the club is the International Lubricant Standardization and Approval Committee (ILSAC), which started issuing certifications in 1996. ILSAC use the acronym, GF, which stands for gasoline fueled vehicles, to ensure lubricant specifications cover foreign cars.

The industry standards since 2005 have been API service category SM, and ILSAC GF-4. In October they will change to API SN, and ILSAC GF-5. These changes are being driven by the demand for engines oils with; improved fuel economy, extended drain intervals and reduced emissions.

The fact that General Motors is not adopting GF-5, like other automakers, is causing turmoil in the industry. Instead, GM is introducing its own oil with global specifications, called Dexos 1. Both GF-5 and Dexos oils will use more expensive, advanced additive packages and use synthetic base oils. But, before a marketer can label an oil "dexos1", they must pay GM a licensing fee for the use of the trademark. This could result in an additional cost in marketing of 36 cents a gallon.

During the past several years the industry has undergone these types of changes with products such as transmission fluids. Initially GM Dexron VI, Chrysler ATF+4, and SP was only available through dealerships, at higher cost, and limited package sizes. Now, main marketers, like Cenex, are blending products like Multi-Vehicle ATF which meets multiple automakers' service requirements.

Dexos 1 engine oils will be available to the blender/ marketer, but the additional cost of the license fees may inhibit its distribution. Consider the cost burden of the Dexos 1 trademark for service facilities that are dealing with a difficult economy and initiating cost-cutting efforts to stay profitable.

Valvoline has already announced that to minimize the cost impact to their customers, they will produce an engine oil that meets the Dexos 1 specification, but without officially licensing the trademark. Is this an indication of how other blenders will respond? Consider that for the next few years, most cars on the road will require the GF-4 engine oil, and that the demand for GF-5 and/or Dexos 1 will be minimal.

Do you up-grade your entire product line for a small market share, or wait until the life-cycle demand for Dexos 1 grows and make adjustments later?

We will all have to wait and see what direction the industry is pulled and if the market is ready for a global specification, like Dexos 1. Hopefully, when you scan the specifications on that next quart of oil you plan to purchase, your selection will be less confusing. ❖



DAN BEAUVAIS
Petroleum & Retail
Division Director



Cenex Total Protection Plan™ ...

PROTECTION + PERFORMANCE = PEACE OF MIND

Consider protecting all your equipment with the Total Protection Plan™. It's a small investment to make in exchange for valuable coverage and peace of mind. You get unsurpassed coverage while helping to ensure that only high-quality energy products go into your equipment.

Think of it as a no-fault insurance policy - one that helps keep you in the fields when you need to be there. There's no burden of proof and no deductible, which can really pay off and help keep things moving during crunch times like planting and harvest.

When you use Ruby Fieldmaster® Premium Diesel fuels and Cenex® lubricants exclusively, you get up to 10 years of 10,000 hours of engine and transmission coverage. You also have the option of exclusively using Maxtron® lubricants - with any fuel you choose - for the same great coverage.

Whether you buy new or used equipment, you simply won't find a better way to protect your investment.

WHAT MAKES THIS THE BEST WARRANTY IN AGRICULTURE?

- Covers new equipment for up to 10 years or 10,000 hours and used equipment for up to 8 years or 8,000 hours
- Covers a wide variety of equipment
- Extends protection above and beyond your equipment manufacturers' warranty
- Has no deductible
- Requires no operator "burden of proof"
- Includes periodic maintenance reminders to help keep your equipment in top condition
- Helps avoid downtime through LubeScan® fluid sample report that provides insight into internal equipment condition
- Transfers to purchasers of your equipment
- Provides all this protection for just \$299 (new equipment) or \$399 (used equipment)
- Includes periodic money savings coupons for Cenex Product

CENEX PRODUCTS COME THROUGH FOR YOU

Cenex products are indispensable for keeping your equipment running at peak performance, even under the

toughest conditions. Independent tests prove that using Cenex premium lubricants with premium fuels reduces the need for repairs and extends your engine life.

Cenex lubricants are custom formulated to meet or exceed all major manufacturers' requirements, and they're industry certified to stand up to all the demands of farming. Ruby Fieldmaster® Premium Diesel fuels are also specifically formulated for agriculture, and proven to deliver 4.5% more power, quicker starts and better fuel economy.

THE PLAN IS SIMPLE

All you have to do is:

- Request a warranty application form from the Agland Petroleum division; submit completed form with enrollment fee
- Perform regular maintenance procedures
- Submit a used fluid sample from each oil change or drain according to your warranty agreement. (In return, you'll receive a LubeScan® report that will help you perform timely maintenance to avoid downtime.)
- Use Cenex products exclusively
- Retain proof of purchase for all Cenex products
- Avoid actions that would void coverage, such as abuse or unauthorized product use

Please contact the Agland Petroleum division if you have any questions regarding this Cenex warranty program. ❖



DAN BEAUVAIS
Petroleum & Retail
Division Director

Retail Updates...

Welcome to fall. It's hard to believe that another summer has come and gone. Winter will be upon us soon and all three of your Agland convenience store locations are ready to provide you with products both for your car and your personal needs.

We are proud to announce that we offer the latest in technology with our Cenex Premium Diesel. Our Roadmaster XL from Cenex offers the latest in fuel efficiency on the market and is available at all three stores. Gateway at 35th Avenue and 25th Street as well as the store at 16th Street and Highway 85 offer E-85 and all three stores are ready to refill your propane tank. We offer kerosene by the gallon at Eaton as well as 16th Street. You can also find red diesel at the 16th Street location. All of our stores offer antifreeze, fuel additives, washer fluid for your windshields as well as other oils and additives to keep you going during those cold winter months.

Shawn and Ruth head up the crew at 35th Avenue and are open with ready made sandwiches, hot coffee, cold fountain drinks or just something to snack on. They are a big hit with the high school lunch crowd and the business crowd as well stop in and see them. Feel free to ask any of our sales associates for assistance when shopping at Agland. They are always happy to help. Shawn welcomes his new associates, Tyree Schaffer, Rebeka Mathias, and Tim Harmon.

Wow! What a hit and great addition McDonalds has been to our Agland family. If you have not had the opportunity to stop in at our Eaton location and check out the McDonalds and the new look of the store, now would be a great time. Trish and Roger have out the welcome mat and are there to assist you with any of your fuel needs. Remember, propane by the gallon is still the most cost efficient way to refill your propane tank. We fill to the limits set forth by the State of Colorado and the Federal government. And the best part, we only charge you for what we actually put in. Best deal around. All our associates are certified and able to help you at all locations. Trish and her team are no exception. Stop in and let them show you their stuff! Welcome to their newest addition who is really an old favorite. Welcome back Roberta Gonzales.

Diane and Tina are leading the way at 16th Street. In addition to having hot food from their deli they also have ready made sandwiches, snacks, and many other

of your everyday needs and wants. We welcome new associates to this store as well. Robert Adams and another new but old employee Jared Grant. Don't forget those warm clothes and boots in the Farm Store. Those cold days will be here before you know it. We offer a large line of Key, Walls, and Carhartt outer wear as well as overshoes, insulated boots, hats and gloves.



DAN BEAUVAIS
Petroleum & Retail
Division Director

Time once again for our annual Customer Appreciation Sale at the 16th Street Farm Store. Every year we look forward to saying "Thank You" to all Agland customers by offering a store wide sale on clothing, boots, hats, tack and accessories. This is always a big hit and we are always happy to see everyone. This year is no exception. Everything will be on sale and we offer some of the best Wrangler, Cinch, Cruel Girl and boot selections in the area. For those of you who have not had the opportunity to stop in we also offer a wide range of the Agland brand feed for your immediate needs. We

also have hay, straw, and wood shavings on hand. So mark these dates on your calendar:

- **November 19th - 7:30 a.m. to 6:00 p.m.**
- **November 20th - 8:00 a.m. to 5:00 p.m.**

We will have hot dogs and pop as well as door prizes.

Also beginning September 20th the 16th Street Farm Store will be changing their hours. To better serve the needs of our customers, we will open 7:30 a.m. to 6:00 p.m. Monday thru Friday. Our hours will remain the same on Saturday 9:00 a.m. to 5:00 p.m.. We will remain closed on Sunday. Just remember you can always purchase hay, straw and shavings in the convenience store during their regular business hours.

We here in the Retail Division are looking forward to a wonderful holiday season surrounded by you, our many friends. May you be truly blessed this year and in all the years to come. We hope you will continue to let us be apart of your daily plans. See you soon! ❖

TBA Welcomes New Additions...

Well summer is about over and fall is just around the corner. Here at the car care centers we are getting ready for harvest. Our after hours number for tire work is (970) 590-3467.

Tire prices have leveled off and I don't fore see any increases for the rest of the year so now would be a great time to bring your vehicle in to Eaton or Greeley for a free tire inspection. We will inspect the tread, adjust your air pressure and rotate them if needed for free just mention this article. After inspecting your tires we will let you know how good they are and when they may need to be replaced. Don't forget at both locations we have certified mechanics that can repair anything you need on your car or truck. From just an oil change to any minor or major repairs. With winter fast approaching now is a good time to winterize your vehicles. Please come in and get a free quote from our service dept.

At our Greeley location we have finally got the paint booth installed and are presently in the process of hiring a paint and body person.

So please feel free to come in and take a look around and get a free estimate of any body work you may need.



KEITH BAXTER
TBA/Bandag
Division Director

I would like to introduce our newest employee at Greeley Car Care. His name is Troy Staudinger. You may recognize him from Eaton Agronomy . He was working for Wayne as a seasonal employee. Wayne contacted me because his busy season was winding down and felt Troy would be an asset to the company and with us being short handed in our service department it was a good fit for us.

We have seen some signs that the economy is starting to rebound a



little bit. The Bandag Retread shop just finished with their best month in the last two years , we produced 1200 retreads and refurbished 1150 wheels.

I would like to thank all of you for your support in these trying times and I promise that the employees at our tire departments understand that without you we could not be the company we are.

If you have any questions or concerns please do not hesitate to contact me. ❖



A Rewarding Year...

(Continued from page 2)

agronomy division's rolling stock has worked out well. This building also features a heated warehouse space for crop protection inventory and a shop where maintenance work can be done on equipment. Agland's agronomy business unit has been busy with keeping up with seed traits, crop protection products, fertilizer prices, cropping practices along with rotations and soil compositions, and pest management.

The feed division has been busy with ration adjustments to help our dairy producer battle through some tough milk pricing and high feed costs these past few years. Barley harvest has been put away and mixed into rations. Corn harvest is upon us and looks to be a normal maturing crop this year. A completion of an additional 603,000/bushel condo corn storage has been completed in time for which seems to be a bountiful harvest this year. This project came about as planting decisions were being made this last winter and yield curves continue to move higher, space was the issue for additional shell

corn plant intensions.

The tire and service business has been busy this last year and into the fall work season. Recapping Bandag tires for 40 years has continued to be a cost effective way to manage tire costs. Our service truck and automotive repair business stay busy keeping equipment running and operating for our members, company rolling stock, and fleets. As well as meeting all the DOT safety standards and making fleet operations effective and safe.

The retail fuel stations get all the attention of customers and members as prices at the pumps have seemed to level off for the time being. Ground breaking was underway a year ago for a McDonald's attached to Agland's c-store in Eaton. This project came to completion this past year and is up and running serving the community and has been a good addition to Agland's offerings to the community. The Heritage Grocery Store has been up and servicing the community, as well, for a year and a few months and continues to improve and gain local support and improve its

market share and presence which we are proud of here at Agland.

Agland's audit of the cooperative's books is completed. Plan to attend the annual meeting to learn more about last year's results, as well as help chart the course for your cooperative's future. The accounting and general administration staff is well into next year. This group continues to account for members' business month to month and keep the company business running smooth. Everything from computer systems, phones, credit/account receivable, account payables and all the cooperative's assets, personnel issues (HR), insurance, and banking and financing on Agland's daily business is handled here.

Hope you all can make the meeting on October 21st. Thanks for your business and continued trust. Have a safe harvest and happy holiday season! ❖

Come Visit All of Our Locations and See What We Have to Offer You!

Agland Eaton Convenience Store
55 S. Oak Ave.
Eaton, CO 80615

Agland Gateway Convenience Store
2449 35th Ave.
Greeley, CO 80634

Agland 16th St. Convenience Store
1607 2nd Ave.
Greeley, CO 80631

Agland Feed Mill
260 Factory Rd.
Eaton, CO 80615

Agland Corporate Office
260 Factory Rd.
Eaton, CO 80615



of the Rockies



(970) 454-4000

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155 Oak Dr.
Eaton, CO 80615

Agland Gilcrest Agronomy
19480 Hwy. 85
Gilcrest, CO 80623

Agland Eaton Car Care
101 S. Oak
Eaton, CO 80615

Agland Greeley Car Care
1641 2nd Ave.
Greeley, CO 80631

Agland Petroleum/Propane
32461 WCR 39
Lucerne, CO 80646

U.S. Farm Structure - Declining - But Persistent - Small Commercial Farms

U.S. farm production is shifting to larger operations, while the number of small commercial farms and their share of farm sales continue a slow, long-term decline. Larger farms have a competitive advantage over smaller farms in most commodities because the average cost of production per unit declines as the size of the operation grows (referred to as economics of size). In addition, many of the operators of small commercial farms are at least 65 years old and are leaving farming as they grow older.

Nevertheless, some small commercial farms are profitable, and the operators of many of the others are willing to place a low value on their labor, accept losses, and rely on off-farm income. Thus, the shift of production to larger farms will continue to be gradual, and substantial numbers of small commercial farms will remain in business.

DEFINING FARM CATEGORIES

To trace shifts in the size distribution of farms and farm production over time, ERS researchers compared data from the 2007 Agricultural Resource Management Survey (ARMS) and the 1991 Farm Costs and Returns Survey (FCRS). The FCRS is an earlier annual farm survey, the predecessor to ARMS, and 1991 is the earliest year that the FCRS and ARMS are fully compatible. ARMS is an annual sample survey conducted jointly by USDA's National Agricultural Statistics Service (NASS) and ERS. The ARMS sample includes 20,000 to 24,000 farms each year, covers all types of farms, and is designed

to accurately represent farms and production in the continental United States.

To measure farm size, ERS researchers used gross cash farm income, which is the sum of farm revenue from commodity sales (including sales through marketing contracts), Government payments, and other farm-related income, including fees from production contracts. Farms were divided into four homogenous groups based on annual gross cash farm income:

- Noncommercial Farms. Gross cash farm income less than \$10,000.
- Small commercial farms. Gross cash farm income of \$10,000 to \$249,999. Farms with gross cash farm income in this range meet a threshold level of farm income that indicates a commitment to farming. The \$250,000 cutoff to identify small farms was recommended by the Small Farm Commission.
- Large farms. Gross cash farm income of \$250,000 to \$999,999.

- Very large farms. Gross cash farm income of \$1 million or more.

Examining variation in the financial returns of farms of different sizes helps clarify the pressures on operators to leave farming. In addition, farm operator's characteristics - particularly their age - and sources of farm household income can influence farming decisions.

SIZE DISTRIBUTION OF PRODUCTION SHIFTS UPWARD

Although the number of farms was similar in 1991 and 2007 - just over 2 million - the size distribution has changed. Noncommercial farms - those with gross cash farm income below \$10,000 - increased from two-fifths to more than half of all farms, partly due to USDA's efforts to count all of the smallest farms in surveys and the Census of Agriculture. Despite the noncommercial group's increasing share of farms, its share of the value of production remained about 1% in both 1991 and 2007. Operators of noncommercial farms generally are not heavily engaged in farming, typically reporting a nonfarm occupation or saying they are retired.

Farms at the upper end of the large category - those with gross cash farm income of \$500,000 to \$999,999 - and very large farms also increased their combined share of farms from 3% in 1991 to 5% in 2007. The two farm size classes doubled in number but still accounted for only 105,000 of the 2 million total farms in 2007. Both of these size classes also increased their share of production, with



(Continued on page 14)

U.S. Farm Structure - Declining - But Persistent - Small Commercial Farms

(Continued from page 13)

very large farms' share of total U.S. production growing from just over a fourth to nearly half.

Small commercial farms accounted for a third of farms in 2007, down from half of all farms in 1991. Small commercial farms' share of production declined from about 40% to just over 20%, mirroring the rising share of production on very large farms.

WHAT'S BEHIND THE SHIFT TO LARGER FARMS?

The shift in production to very large farms partly reflects technological advancements in farming. Production of fed cattle, hogs, poultry, and milk, for example, moved into climate-controlled buildings, which reduced the impact of weather. Improvements in disease control, handling, transport, and nutrition increased the number of production cycles per year. These advancements helped standardize production, making it easier for livestock producers to operate on a large scale. Technological factors, such as the development of larger and faster equipment, information

and Global Positioning System technologies, and more routine pest control through genetically modified seeds, expanded the crop acreage that producers could effectively control.

Low profitability of small commercial farms contributed to their declining shares of farms and production. Nearly 60% of small commercial farms had negative operating profits in both 1991 and 2007. Substantially smaller shares of large (23% in 2007) and very large farms (about 15%) had negative operating profits - and those shares declined between 1991 and 2007 - reflecting economies of size in farming and the ability to take advantage of technological advances. The greater profitability of large and very large farms gave them a competitive advantage over small commercial farms.

Two-thirds of noncommercial farms also had negative operating profits in 1991, with the share rising to three-fourths by 2007. But low profitability is less of an issue for these farms because operating a profitable farm is less likely to be a

major goal for the operators. They also may engage in farming to secure long-term capital gains, shelter off-farm income from taxation, live a rural lifestyle, or pass the farm - which can be valuable, depending on the location and acres involved - on to their heirs. These farms are likely to continue, as long as the operator households have enough off-farm income to meet living expenses and farm losses are not unduly large.

The high average age of operators also played a role in the decline of small commercial farms. Operators on small commercial farms with sales less than \$100,000 in 1991 were more likely to be at least 65 years old than the operators of larger farms. As these older operators continued to age after 1991, some left farming and were not replaced by younger operators, since their farms were generally not profitable. As a result, the share of small commercial farms with gross cash farm income under \$100,000 operated by someone over age 65 rose from 28% in 1991 to 35% in 2007.

(Continued on page 15)



U.S. Farm Structure - Declining - But Persistent - Small Commercial Farms

(Continued from page 14)

A similar pattern in age of operator occurred on the larger small commercial farms (gross cash farm income from \$100,000 to \$250,000) and the smaller large farms (gross cash farm income from \$250,000 to \$499,999). The share of operators at least 65 years old was more stable between 1991 and 2007 once gross cash farm income exceeded \$500,000. In contrast, the average age of noncommercial farm operators dropped, indicating entry of new, younger operators.

OFF-FARM INCOME IS CRITICAL TO HOUSEHOLDS OPERATING SMALL COMMERCIAL FARMS

Despite the large share of small commercial farms with negative operating profits, households running these farms do not generally experience low income because they have off-farm income. On well over half of small commercial farms, the operator and/or spouse work off the farm.



For older operators, income from Social Security, pensions, and investments are also important. Median farm income does not become positive until gross cash farm income exceeds \$50,000. Even for farms in the upper size range of small commercial farms, off-farm income contributes about as much as farm earnings to total household income.

The median income of households operating small commercial farms compared favorably with the \$47,300 median of all U.S. households in 2007. Households operating farms at the upper end of the small commercial scale have a higher median income (\$68,600). Their income is closer to the median for U.S. households with a self-employed head (\$75,700) than to that for all U.S. households.

Small commercial farms produce commodities that reflect their reliance on off-farm income. Poultry, cash grains/soybeans, and beef - commodities that can be produced on a part-time basis - make up three-fourths of the production of small commercial farms. In contrast, dairy and high-value crops, such as vegetables, fruits and tree nuts, and nursery and greenhouse products, require a larger commitment of full-time labor. These farm products account for 12% of production of small commercial farms but 44% of very large farms.

WEALTH OF FARM HOUSEHOLDS EXCEEDS THAT OF ALL U.S. HOUSEHOLDS

Although the income of households operating small commercial farms

is comparable with that of all U.S. households, their median wealth (or net worth) is roughly six times higher, approximately \$750,000 versus \$120,000 for all U.S. households. Much of the wealth of small commercial farm households comes from the ownership of land, and small-farm operators can easily own land worth several hundred thousand dollars. The median wealth of farm households increases with farm size, ranging from about \$400,000 on noncommercial farms to \$2.5 million on very large farms. About 94% of farm households have net worth greater than or equal to the median for all U.S. households.

The farm accounts for most of farm households, regardless of farm size. Overall, about three-fourths of operator household net worth is based on the farm business. Most of this net worth is not readily convertible into cash and not directly available for household spending since it is largely based on assets necessary for farming, especially farm-land. Nonetheless, these assets can be used as collateral for loans that can support the farm household during temporary downturns.

To read more of this article, please go to www.ers.usda.gov/amberwaves ❖



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